



FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

APR 26 2012

Alexander A. Pezeshkan, Manager
Kambiz Zand, Manager
Pettit Square Partners, LLC
3530 Kraft Road, Suite 204
Naples, FL 34105

RE: MUR 6463

Dear Messrs. Pezeshkan and Zand:

On March 29, 2011, the Federal Election Commission ("Commission") notified Pettit Square Partners, LLC ("Pettit Square") of a complaint alleging violations of certain sections of the Federal Election Campaign Act of 1971, as amended ("the Act"). A copy of the complaint was forwarded to Pettit Square at that time.

Upon further review of the allegations contained in the complaint, and information supplied by you, the Commission, on April 10, 2012, voted to dismiss the allegations as they pertain to Pettit Square. The Factual and Legal Analysis, which more fully explains the Commission's decision, is enclosed for your information.

You are advised that the confidentiality provisions of 2 U.S.C. § 437g(a)(12)(A) remain in effect, and that this matter is still open with respect to other respondents. The Commission will notify you when the entire file has been closed.

If you have any questions, please contact Thomas J. Andersen, the attorney assigned to this matter, at (202) 694-1650.

Sincerely,

A handwritten signature in black ink, appearing to read "Peter G. Blumberg".

Peter G. Blumberg
Assistant General Counsel

Enclosure
Factual and Legal Analysis

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FEDERAL ELECTION COMMISSION**FACTUAL AND LEGAL ANALYSIS****RESPONDENT: Pettit Square Partners, LLC****MUR 6463****I. INTRODUCTION**

This matter was generated by a complaint filed with the Federal Election Commission by Iraj J. Zand and Raymond Schayek, alleging violations of the Federal Election Campaign Act of 1971, as amended ("the Act"), by Pettit Square Partners, LLC.

II. FACTUAL AND LEGAL ANALYSIS

The complaint alleges that Antaramian Development Corporation of Naples ("ADCN"), a for-profit Florida corporation whose president is John "Jack" Joseph Antaramian, allowed the Democratic National Committee ("DNC") to occupy office space free of charge for several months, in a commercial building in Naples, Florida owned by Pettit Square Partners, LLC ("Pettit Square").

Pettit Square leased the office space to ADCN for a four-year period starting on July 1, 2009, to be used, pursuant to the terms of the lease, "for a general office and/or retail use only." Ex. G of Complaint (3/22/11). ADCN was to begin paying a monthly rate of \$3,639.58 to Pettit Square starting on January 1, 2010, due at the beginning of each month through the end of the lease on June 30, 2013. *Id.* It appears that as an inducement to ADCN to enter into a four-year lease, Pettit Square was willing to waive the usual rent charge for the first six months of the lease term. The lease required ADCN to secure Pettit Square's consent prior to subleasing the premises. *Id.* Pettit Square claims that ADCN, through Jack Antaramian, sublet the space to the DNC without Pettit Square's knowledge or permission, from July 23, 2009 through March 3,

1 2010. Response at 1-2. Pettit Square operated under a written operating agreement. *See*
2 Response, Exhibit B.

3 Although the purpose for which ADCN initially rented this office space in July 2009 is
4 unclear, emails between DNC representatives and Jack and Mona Antaramian in May and June
5 2009, just prior to the start of the lease term, suggest that the DNC knew of this office space and
6 planned to use it to house staff of Organizing for America ("OFA") – which the DNC refers to as
7 "a project of the DNC." Exs. N & P of Complaint (3/22/11). The DNC appears to have first
8 occupied the space on July 23, 2009 and remained in it through March 3, 2010. There was no
9 sublease or modification of the lease between ADCN and Pettit Square, and the DNC did not pay
10 any rent for the duration of its occupancy. Pettit Square filed a lawsuit against ADCN and the
11 DNC in March 2010 to evict the DNC, and to recover rent for the use of the space. As part of a
12 litigation settlement, the DNC paid \$29,117 to Pettit Square by check dated October 29, 2010.
13 Ex. M of Complaint (3/22/11).

14 Under the Act, a "contribution" includes "anything of value made by any person for the
15 purpose of influencing any election to Federal office." 2 U.S.C. § 431(8)(A)(i). The
16 Commission's regulations provide that "anything of value" includes all in-kind contributions,
17 including the provision of goods or services without charge or at a charge less than the usual and
18 normal charge for such goods or services. 11 C.F.R. § 100.52(d)(1). Assuming the \$29,117
19 settlement was based on the fair market value of the rent, and regardless of any
20 miscommunication or confusion over the use of the office space or who may have been the
21 beneficiary of a lease inducement, it appears that the DNC accepted that amount as an in-kind
22 contribution by conducting its operations on the premises for over seven months without charge.

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1 The LLC Operating Agreement of Antaramian/Pettit Square Partners, LLC, which
2 requires written authorization of both co-managers for “major decisions,” raises a question as to
3 whether Antaramian, who was both the owner of ADCN and a co-manager of Pettit Square at the
4 time, could authorize on behalf of Pettit Square the arrangement allowing the DNC to occupy the
5 space. However, subsequent actions taken by Pettit Square—including filing a lawsuit against
6 ADCN and the DNC to evict the DNC—suggest that Pettit Square may not have authorized the
7 DNC to occupy the space or otherwise make an in-kind contribution under the Act. Under these
8 circumstances, the Commission dismisses the allegations related to Pettit Square. *See Heckler v.*
9 *Chaney*, 470 U.S. 821, 831 (1985).

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